

**MEMORANDUM OF AGREEMENT  
and  
RIGHT OF ENTRY**

*Preamble. The Alaska Village Electric Cooperative, Inc., (AVEC) is requesting funding from the Denali Commission to renovate bulk fuel storage and handling facilities at Stebbins, Alaska, including construction of a new AVEC bulk fuel storage site. AVEC is also requesting funding to construct a new power plant in Stebbins. AVEC needs to secure an interest in land in order to meet the Denali Commission's site control requirements for this project. The purpose of this Agreement is to provide site control for all bulk fuel storage site improvements and the power plant in the community.*

AGREEMENT has been reached this 7<sup>th</sup> day of December, 2006 between the City of Stebbins, whose address is P.O. Box 22, Stebbins, Alaska 99671; the Stebbins Native Corporation, whose address is P.O. Box 110, Stebbins, Alaska 99671; and the Tapraq Fuel Company, whose address is P.O. Box 71010, Stebbins, Alaska 99671; the owners of the parcel as shown in Exhibit 1, and Alaska Village Electric Cooperative, Inc., whose address is 4831 Eagle, Anchorage, AK 99503. The terms of the Agreement are as follows:

THIS MEMORANDUM and the stated exhibits embody the whole Agreement between the parties hereto as it pertains to the real estate, and there are no promises, terms, conditions, or obligations referring to the subject matter hereof, other than as contained herein.

2. The owners hereby agree that the mutual benefit of the project constitutes full consideration for its interests, and the interests of their life tenants, remaindermen, reversioners, lienors and lessees, and any and all other legal and equitable interests which are or may be outstanding, and said owners agree to discharge the same.
3. The owners hereby grant a Right of Entry to AVEC to allow for construction of the project on the properties shown in Exhibit 1 subject to the stipulations as stated in Exhibit 2.
4. The City of Stebbins agrees to petition the State of Alaska, Department of Natural Resources for a vacation of the portion of Caribou Street as shown in Exhibit 1.
5. The Stebbins Native Corporation and the City of Stebbins agree to the dedication of a road right of way for the existing road as shown in Exhibit 1.
6. All parties acknowledge and agree that the subject property will be surveyed by AVEC and the survey plat will be recorded in the Cape Nome Recording District. The survey will generally confirm the boundaries as shown in Exhibit 1. The parties acknowledge that the boundaries shown in Exhibit 1 are approximate and some adjustments may be necessary upon survey.

7. The Stebbins Native Corporation and the City of Stebbins agree to grant Quitclaim Deeds to AVEC for the parcel of land identified as AVEC Parcel shown in Exhibit 1 after the survey of the site is finalized and recorded.
8. The Stebbins Native Corporation and Tapraq Fuel Company agree to allow fuel storage tanks, and related piping, pumps and dispensing equipment owned by the City of Stebbins to be located on the Tapraq Fuel Company Parcel as shown in Exhibit 1. The parties agree to allow the City access to the tanks and to issue an appropriate document such as a lease at a later date after construction of the project.
9. THIS AGREEMENT shall be deemed a CONTRACT extending to and binding upon the parties hereto and upon the respective heirs, devisees, executors, administrators, legal representatives, successors and assigns of the parties.

Exhibit 1- Map

Exhibit 2 – Right of Entry Stipulations

CITY OF STEBBINS

By: Robert D. Ferris

its: MAYOR

#### ACKNOWLEDGEMENT

STATE OF ALASKA

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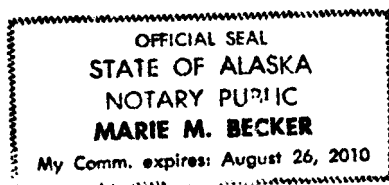
SECOND JUDICIAL DISTRICT

THIS IS TO CERTIFY that on the 7<sup>th</sup> day of December, 2006, before me, the undersigned Notary Public for the State of Alaska, duly commissioned and sworn as such, personally appeared Robert D. Ferris, for and on behalf of the City of Stebbins and acknowledged that this MEMORANDUM OF AGREEMENT AND RIGHT OF ENTRY was signed and sealed on behalf of the City of Stebbins by proper authority delegated and vested in himself, and acknowledged further said instrument to be the free act and deed of the City of Stebbins.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Marie M. Becker  
Notary Public for Alaska

My Commission expires: Aug 26, 2010



STEBBINS NATIVE  
CORPORATION

By: Nora Tom  
its: President

ACKNOWLEDGEMENT

STATE OF ALASKA

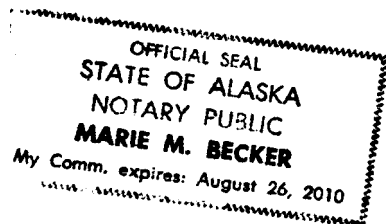
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SECOND JUDICIAL DISTRICT

THIS IS TO CERTIFY that on the 7<sup>th</sup> day of December 2006, before me, the undersigned Notary Public for the State of Alaska, duly commissioned and sworn as such, personally appeared Nora Tom, for and on behalf of the Stebbins Native Corporation and acknowledged that this MEMORANDUM OF AGREEMENT AND RIGHT OF ENTRY was signed and sealed on behalf of the Stebbins Native Corporation by proper authority delegated and vested in himself, and acknowledged further said instrument to be the free act and deed of the Stebbins Native Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Marie M. Becker  
Notary Public for Alaska  
My Commission expires: Aug. 26, 2010



TAPRAQ FUEL COMPANY

By: Fred Pote, Jr.

its: President

ACKNOWLEDGEMENT

STATE OF ALASKA

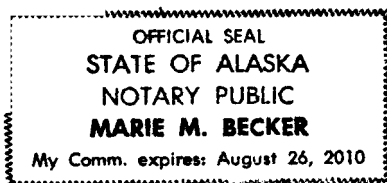
SECOND JUDICIAL DISTRICT

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THIS IS TO CERTIFY that on the 7th day of December, 2006, before me, the undersigned Notary Public for the State of Alaska, duly commissioned and sworn as such, personally appeared Fred Pote Sr., for and on behalf of the Tapraq Fuel Company and acknowledged that this MEMORANDUM OF AGREEMENT AND RIGHT OF ENTRY was signed and sealed on behalf of the Tapraq Fuel Company by proper authority delegated and vested in himself, and acknowledged further said instrument to be the free act and deed of the Tapraq Fuel Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Marie M. Becker  
Notary Public for Alaska  
My Commission expires: Aug 26, 2010



ALASKA VILLAGE ELECTRIC  
COOPERATIVE, INC.

By: *Meera Kohler*

its: *President/CEO*

ACKNOWLEDGEMENT

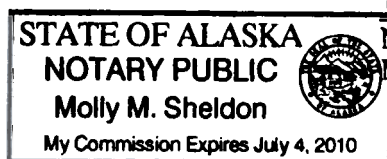
STATE OF ALASKA

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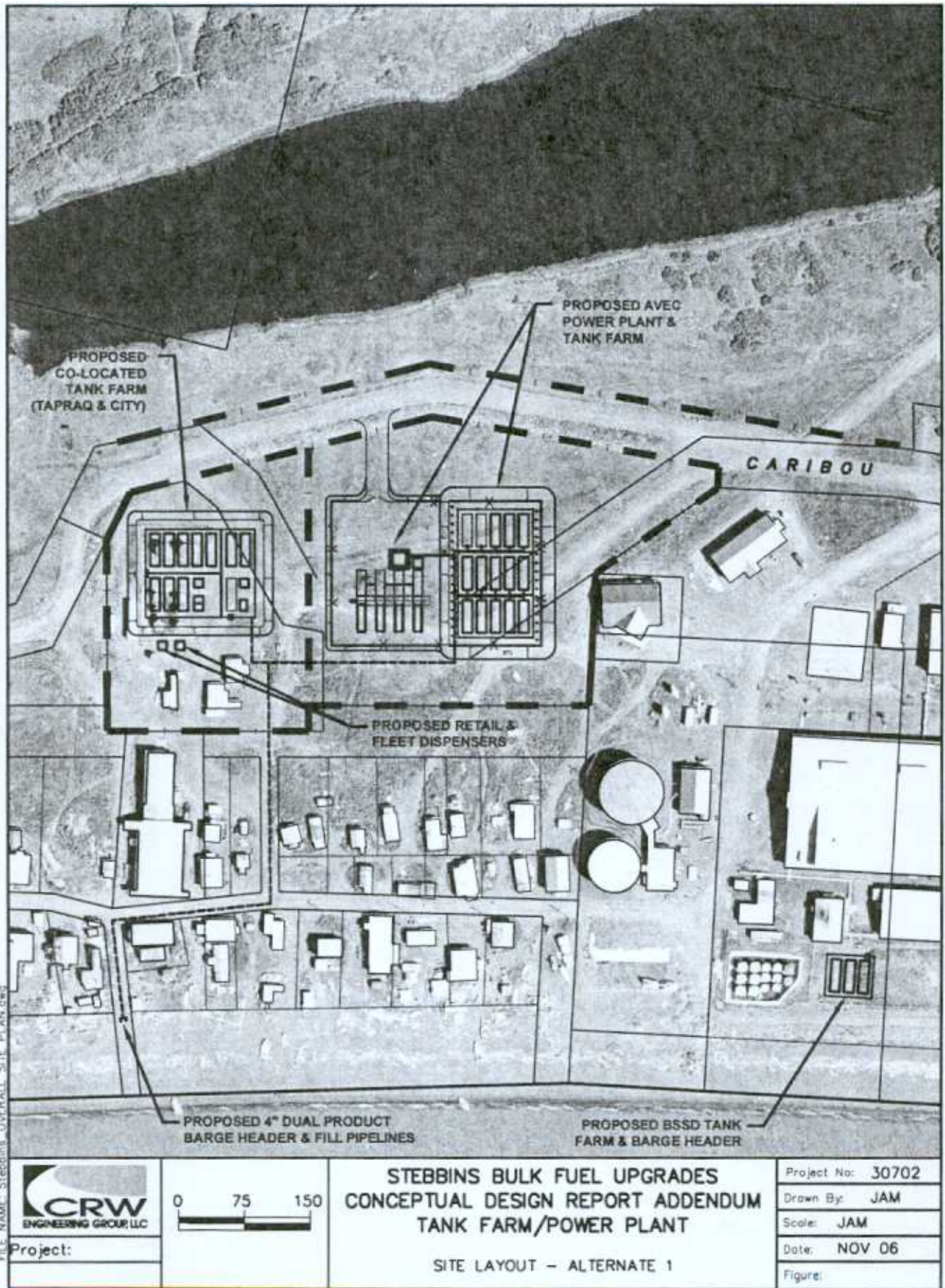
THIRD JUDICIAL DISTRICT

THIS IS TO CERTIFY that on the 12<sup>th</sup> day of December, 2006, before me, the undersigned Notary Public for the State of Alaska, duly commissioned and sworn as such, personally appeared Meera Kohler, for and on behalf of Alaska Village Electric Cooperative, Inc. and acknowledged that this MEMORANDUM OF AGREEMENT AND RIGHT OF ENTRY was signed and sealed on behalf of Alaska Village Electric Cooperative, Inc by proper authority delegated and vested in herself, and acknowledged further said instrument to be the free act and deed on behalf of the Alaska Village Electric Cooperative, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.







## Exhibit 2 Right of Entry Stipulations

The GRANTEE, its contractors, subcontractors and all personnel (herein-after referred to as the permittee) shall indemnify and hold harmless the GRANTORS against and from any and all demands, claims or liabilities of every nature whatsoever, arising directly or indirectly from, or in any way connected with, their actions or activities executed under the provisions of this right of entry.

2. It is the intent of the parties that, in performance of this right of entry, the following principles shall apply: In the design, construction, operation and maintenance (including but not limited to a continuing and reasonable program of preventive maintenance) of the site, the permittee shall employ and use the best practicable means, methods and technology available to preserve and protect the environment, as provided in this right of entry

The permittee shall protect environmental amenities and values within the practicable bounds of economic and technical feasibility and in accordance with applicable State laws, regulations and policies.

4. Areas having soils that are susceptible to slides and slumps, excessive settlement, severe erosion, and soil creep shall be avoided whenever possible. However, if these areas cannot be avoided, or are encountered unexpectedly, the permittee shall design its construction to ensure maximum soil stability.
5. The design of the site, and associated structures shall include specifications for the construction of erosion control and drainage features that will minimize the concentration of water and avoid or minimize erosion effects.
6. All operations shall be conducted in such a manner so as not to block, pollute, or hinder any drainage system or change the character, or cause the pollution or siltation of, any streams, lakes, ponds, water holes, seeps and marshes, or damage fish and wildlife resources.
7. No toxic material or sediments shall be released in any lake, stream or other waterbody.
8. All debris, such as logs, chunks, and tops resulting from clearing operations and construction, which may block stream flow, delay fish migration, contribute to flood damage, or result in stream bed scour or erosion, shall be removed.
9. Fuels, lubricants, paints, and other potential pollutants shall be stored a minimum distance of 100 feet away from any river, stream, drainage system or water body.
10. All waste generated during construction and operation under this right of entry shall be removed or otherwise disposed of in a manner acceptable to the GRANTORS.

### Fire Control

- a. All existing roads and trails needed for fire protection shall be kept free of logs, slash and debris.
  - b. Every reasonable effort shall be made to prevent, control, or suppress any fire in the operating area. Uncontrolled fires shall be immediately reported.
  - c. Clearing and grubbing activities and methods shall separate trees and brush from organic material so that berm piles are not created.
  - d. Slash, culls, roots and other non-merchantable woody material shall be disposed of by controlled burning, burial or placement in fill areas.
12. This right of entry, and the rights and privileges granted thereby, is subject to all valid existing rights.